

STATE OF COLORADO

DIVISION OF HOUSING

Kathi Williams, Director

STATE HOUSING BOARD MEETING
Centennial Building
1313 Sherman St., Denver, CO, Room 318
Tuesday, March 11, 2008



AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Theo Gregory
	Director's Comments	Kathi Williams

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	08-023	Thistle Community Housing, Inc. The Cannery Apartments	Rick Hanger / Mary Roosevelt
1:30 p.m.	08-038	Walsenburg Housing Authority Home Ownership Acquisition/Resale Program	Rick Hanger / David Mockmore

Approval Process

1:45 p.m.	08-023	08-038
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Other Business

2:00 p.m.		Community Relations Update	Ryan McMaken
2:15 p.m.	08-007	Longmont Housing Development Corporation Lodge at Hover Crossing Budget Revision	Denise Selders / Mary Anderies

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5657 by March 10, 2008.

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

STATE HOUSING BOARD MINUTES
Colorado Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, February 12, 2008

BOARD MEMBERS PRESENT: Theo Gregory, Sally Hatcher, Jack Kelly, and Karen Weitkunat;
Mike Rosser by Telephone.

BOARD MEMBERS ABSENT: Suzanne Anarde and Gene Lucero.

DOH STAFF PRESENT: Kathi Williams, Teresa Duran, Stephanie Morey, Autumn Gold,
Antoinette Estrada, Meghen Duggins, Mary Miller, Ann Watts,
Bill Whaley, Rick Hanger, Becky Murray and Trang Van.

CALL TO ORDER: The meeting was called to order by Theo Gregory at 1:00 p.m.

APPROVAL OF MINUTES: Minutes of the January 2008 meeting were approved as
amended.

DIRECTOR'S COMMENTS

Director Williams is pleased to announce that all of the State Housing Board Members have been confirmed, not only by the Local Affairs Committee but also by the full Senate. We are 100% certified and approved.

The Joint Budget Committee did figure setting this last week on the State budget and added \$1 million to the Division of Housing's line item. So we feel very blessed and fortunate in that respect. That is an additional \$1 million so the State budget line is now at \$2.1 million.

We have two outstanding issues on the warranty of habitability bill. It's really now up to Representative Merrifield to make a decision on how he's going to decide that the bill will be introduced in the House. Each of the groups have come and asked Director Williams to make a presentation to their particular groups about the bill and its importance. Director Williams is still optimistic that we'll have a warrant of habitability bill by the end of the session. However, as of today, not everyone is in agreement with this bill.

APPLICATIONS REVIEWED IN FEBRUARY

Name: Grand Junction Housing Authority
Arbor Vista Apartments

Project Number: 08-017

Project Manager & Address: Don Hartman, Development Director
Grand Junction Housing Authority
1000 N. 10th St.
Grand Junction, CO 81501
(970) 245-0388
(970) 254-8347 Fax
dhartman@gjha.org

Project Description: GJHA is requesting a \$1,100,000 grant to construct 72 units of low-income family apartments in the City of Grand Junction. Located in an infill location, the project will use permanent financing from CHFA (\$1,800,000 @6.8%, 20 year 1st, and \$325,000 @3%, 20 year 2nd – both with 30 year amortization schedule), Low-Income Housing Tax Credits, a FHLB grant, and grants and loans from the City. It will contain three one-bedroom, 3 two-bedroom, and 2 three-bedroom units affordable at 30 % AMI, as well as 9 one-bedroom, 7 two-bedroom, and 2 three bedroom apartments affordable at or below 40% AMI. It will also contain 6 one-bedroom, 14 two-bedroom, and 2 three-bedroom units affordable at or below 50% AMI, and 6 one-bedroom, 16 two-bedroom, and 2 three-bedroom units affordable at or below 60% AMI. The development will be located on approximately 5.3 acres within one block of public transportation, employment, and shopping, and within one half mile of schools.

Staff Recommendation: Full Funding

Date of Meeting: February 12, 2008

Anarde	Absent	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved full funding for this project.

Name: Delta Housing Authority
Villas at the Bluff Apartments

Project Number: 08-034

Project Manager & Address: Rich Englehart, Executive Director
Delta Housing Authority
511 E. 10th St.
Delta, CO 81418
(970) 874-7266
(970) 874-6612 Fax
dhaed@bresnan.net

Project Description: DHA is requesting a \$1,000,000 grant to construct 48 units of low-income family apartments in the City of Delta. The project will use permanent financing from a CHFA SMART loan (7.05%, 20-year, 30-year amortization), Low-Income Housing Tax Credits, an AHP grant, grants and fee waivers the City and County, and owner equity from DHA. It will contain one one-bedroom, one two-bedroom, and one three-bedroom units at 30 % AMI, as well as 3 one-bedroom, 10 two-bedroom, and 7 three-bedroom

apartments affordable at or below 50% AMI. It will also contain 4 one-bedroom, 13 two-bedroom, and 8 three-bedroom units affordable at or below 60% AMI. The development will be located on 8 acres within one mile of employment, shopping, and schools, and will include a community center building of about 2,500 square feet.

Staff Recommendation: Full Funding

Date of Meeting: February 12, 2008

Anarde	Absent	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	No Funding
Kelly	Full Funding		

The Board approved full funding for this project.

**Name: Rocky Mountain HDC, Inc.
Sheridan Ridge Townhomes**

Project Number: 08-035

Project Manager & Address:

Charles Sauro, Director of Asset Mgmt & Development
Rocky Mountain HDC (RMHDC)
142 W. 5th Ave
Denver, CO 80209
(303) 831-4363
(303) 698-7828
csauro@rockymountainhdc.org

Project Description: Rocky Mountain HDC (RMHDC) requests a grant of \$275,000 to preserve the affordability of this mixed-income apartment complex by establishing an operating reserve. CDOH previously funded a \$202,767 cash-flow loan (at 4% interest) to fund a start-up operating reserve. Sheridan Ridge Townhomes has 65-units, and is located at 66th and Sheridan – a highly visible spot with good access to transportation, jobs, schools, etc. It was built in 2002 under the LIHTC program by a partnership of The Uptown Partnership and Peregrine Property Trust LLC, a for-profit developer. Peregrine remains part of the ownership structure, and is working to bring RMHDC in as a new co-general partner. The property was never able to achieve the market rents expected in 2002, and the first mortgage is FHA insured, so it cannot be restructured. Although it remains current on its first mortgage payments, projections show that it will not continue to without a substantial operating reserve account. The amount of that reserve is expected to see the project through to a time when the first mortgage can be refinanced in 2013. RMHDC has managed the property since August 2006.

Staff Recommendation: Full Funding

Date of Meeting: February 12, 2008

Anarde	Absent	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved full funding for this project.

**Name: Douglas County Housing Partnership
Down Payment Assistance Program**

Project Number: 08-036

Project Manager & Address: Mr. Travis Anderson
Single Family Programs Manager
Douglas County Housing Partnership
9350 Heritage Hills Circle
Lone Tree, Colorado 80124
(303) 784-7857 telephone
(303) 814-2966 fax
tanderso@douglas.co.us

Project Description: The Douglas County Housing Partnership (DCHP) is requesting a \$400,000 grant to continue their existing down payment assistance program by providing a minimum of Forty-three (43) additional down payment assistance loans in Douglas County in a twenty-four (24) month period (January 2008 through December 2009). These grant funds will be used to provide low-interest Down Payment Assistance loans to first-time homebuyers (all deferred for 5 years, 30-year fixed @ 3%). The DCHP partnership provides the first-time homebuyer classes through their CHFA approved staff facilitator and CHFA services the loans. Participants in this program must have resided in Douglas County for the previous 12 months or currently work in Douglas County at least 20 hours a week.

Staff Recommendation: Full Funding

Date of Meeting: February 12, 2008

Anarde	Absent	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved full funding for this project.

**Name: Brothers Redevelopment, Inc.
Fairweather Landings Senior Apartments**

Project Number: 08-037

Project Manager & Address: Mary Ann Shing
President
Brothers Redevelopment, Inc.
2250 Eaton Street, Garden Level, Suite B
Denver, CO 80214
(303) 685-4208
(303) 274-1314 Fax
shing@briathome.org

Frances Hall
Fairweather Landings LLC, Manager
Trademark Communities
P.O. Box 61049
Denver, CO 80206
(303) 588-3677
1-866-302-7284 Fax
fhall@trademarkcommunities.com

Project Description: Brothers Redevelopment, Inc. is requesting a \$400,000 grant which will be loaned to Fairweather Landings LLC to assist with the construction of Fairweather Landings Senior Independent Living Apartments located at 10401 Motsenbocker Road in Parker (Douglas County). 75 of the 110 units will serve Independent Senior households (55 and over) at or below 60% of AMI. The structure of the building will be designed in an "E" shaped consisting of 2-stories and 4 elevators. The structure will include 33 one-bedroom/1 bath units and 77 two-bedroom/1.5 baths units equipped with a washer and dryer, and patios or balconies. The building will include 141 parking spaces, storage units, a community/recreation center, laundry facility, a beauty salon, and courtyard patios. The building will also include Energy Star appliances, vinyl windows with 1" insulated glazing, R-19 insulation, heating and cooling systems, water detention, and xeriscaping landscape.

Staff Recommendation: Full Funding

Date of Meeting: February 12, 2008

Anarde	Absent	Lucero	Absent
Gregory	Full Funding	Rosser	Abstain
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved full funding for this project.

Name: Boulder/Broomfield Counties
Down Payment Assistance Program

Project Number: 08-039

Project Manager & Address:

Kathy Fedler
CDBG & Affordable Housing Programs Coordinator
City of Longmont
350 Kimbark Street
Longmont, CO 80501
(303) 651-8736
(303) 651-8590 Fax
kathy.fedler@ci.longmont.co.us

Project Description: The City of Longmont requests a grant of \$507,000 to continue the Boulder County Down Payment Assistance Program & to expand it into Broomfield County. The program would help 48 first-time homebuyers over a 2-year period. All buyers would be at or below 80% AMI, and would be required to attend CHFA-approved homebuyer classes as well as one-on-one counseling, all of which is provided by the Boulder County Housing Authority free of charge.

Staff Recommendation: Full Funding

Date of Meeting: February 12, 2008

Anarde	Absent	Lucero	Absent
Gregory	Full Funding as Amended	Rosser	Full Funding as Amended
Hatcher	Full Funding as Amended	Weitkunat	Full Funding as Amended
Kelly	Full Funding as Amended		

The Board would like to see an established relationship between Broomfield and Boulder Counties including a commitment of Broomfield dollars as well. This contract has been amended by the Board to a grant of \$250,000 for one year. **The Board approved full funding as amended for this project.**

OTHER BUSINESS

- **Election of Officers**

- **Chairman**

- Mike Rosser would like to nominate Theo Gregory for Chair.
 - Jack Kelly seconds the motion.
 - There is an approval by acclamation.

- **Vice – Chairman**

- Mike Rosser would like to nominate Sally Hatcher for Vice-Chair.
 - Jack Kelly seconds the motion.
 - There is an approval by acclamation.

- Our new Chairman is Theo Gregory and our new Vice-Chairman is Sally Hatcher.

The meeting adjourned at 3:40 p.m.

MARCH PRESENTATIONS

Name: The Cannery Apartments Rehab & Refinance

Project Number: 08-023

Project Manager & Address: Mary Roosevelt, Executive Director
Thistle Community Housing, Inc.
1845 Folsom St.
Boulder, CO 80302
(303) 443-0007 x113
(303) 443-0098 Fax
mroosevelt@thistlehousing.org

Project Photo:



Project Address: 15 Third Ave, Longmont, Boulder County

Project Description: Thistle Community Housing, Inc. (Thistle) requests a grant of \$750,000 to pay off a bridge loan on The Cannery Apartments. The complex is located on the main route into Longmont from I-25, and is only a half mile from downtown. It has 94 units in 3 buildings, and one building is on the National Register of Historic Places. It was converted into apartments in 1984, and the other 2 buildings were built in 1984. Thistle purchased the property in February 2007 with short-term financing and immediately began working to put together a Private Activity Bond/4% Tax Credit deal for the permanent financing. Once the financing is closed, rehabilitation work will begin. Major components of the rehab include replacing windows, roofs, boilers and most kitchen appliances.

AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Boulder County)
<u>CDOH HOME-Assisted Units</u>		
LOW HOME - (1) 1BR, (1) 2BR	2	≤ 50% of AMI (\$43,500)
HIGH HOME - (4) 1BR, (2) 2BR	6	≤ 60% of AMI (\$52,200)
<u>Other Affordable Units</u>		
(2) 0BR, (3) 1BR	5	≤ 30% of AMI (\$26,100)
(2) 0BR, (46) 1BR, (29) 2BR	77	≤ 50% of AMI (\$43,500)
(1) 1BR, (3) 2BR	4	≤ 60% of AMI (\$52,200)
<u>Total Units</u>	94	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition Bridge Loan Payoff	5,870,000	749,500	291,816	City of Longmont	committed
			130,000	Thistle Equity	committed
			378,532	FHLB/AHP	committed
			3,710,585	WaMu PAB Mortgage	committed
			282,000	NeighborWorks	committed
			327,567	LIHTC Equity	committed
Appraisal & Market Study	22,000		22,000	LIHTC Equity	committed
Survey & Environmental Study	12,000		12,000	LIHTC Equity	committed
Real Estate Attorney	45,000		45,000	LIHTC Equity	committed
Architect/Engineering	56,504		56,504	LIHTC Equity	committed
Building Permit & Tap Fees	30,000		15,000	City of Longmont	pending
			15,000	LIHTC Equity	committed
Rehabilitation	1,579,200		1,579,200	LIHTC Equity	committed
Contingency	141,000		141,000	LIHTC Equity	committed
Construction Loan Expenses	430,311		430,311	LIHTC Equity	committed
Perm Loan Expenses	159,620		159,620	LIHTC Equity	committed
Operating & Replacement Reserve	242,556		242,556	LIHTC Equity	committed
Relocation	130,000		130,000	LIHTC Equity	committed

Developers Fee	900,000		610,897	Deferred Developer Fee	committed
			272,361	NOI during construction	committed
			16,742	LIHTC Equity	committed
Consultants	59,500		59,500	LIHTC Equity	committed
Marketing & Soft Cost Contingency	30,000		30,000	LIHTC Equity	committed
CDOH Contingency	500	500			
Totals	9,708,191	750,000	8,958,191		

PROJECT ASSESSMENT FOR Rental Acquisition w/ Rehab

Criteria	Project Data			CDOH Range
Building Cost				
Cost/Unit/Sq. Ft.	\$103,279 /Unit	\$120.03 /SF		\$100 to \$140
Hard Cost/Unit/Sq. Ft.	\$75,640 /Unit	\$87.91 /SF		\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$22,207 /Unit	\$25.81 /SF		\$10 to \$20
Hard/Soft Cost	77% Hard	23% Soft		
Cost Effectiveness Rating				
CDOH subsidy/unit	\$7,979			\$2,000 to \$10,000
Annual Cost/Person & Rating	\$1,720	5	30 yrs	1 to 10 Scale
Externality Rating		6		1 to 10 Scale
Rent Savings Rating	7%	1		1 to 10 Scale
Financial Leveraging Rating	12	10		1 to 10 Scale
Composite Score		22		1 to 40 Scale
Operating Cost				
PUPA	\$3,918			\$3,700 to \$4,700
Annual Replacement Reserve	\$300			\$300
Debt Coverage Ratio	1.17			1.10 to 1.20
Capitalized Operating Reserve	192,556	3.8 months		4 months debt & operating costs
Financial Commitments				
Terms of Primary Financing	5.31%	35 yrs (18 yr term)		
P.V. Tax Credits	0.975%			\$.85 to .95
Other Criteria				
Fully Accessible Units	#3 / 3%			5% of Units Encouraged
Visitable Units	#3 / 3%, plus office & new laundry building			All units Encouraged

Energy Star Units	None - but new windows, boilers & E-Star refrigerators will improve efficiency.	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	The existing landscape is not, but Thistle will use low-water landscaping in areas regraded to fix drainage problems, & will add rain sensors to the sprinkler system.	Denver Water Board Recommendation
30% AMI Units	#5 / 5%	5% of Units Encouraged
CDOH requirements		
Priority	High Growth	
Eligibility Criteria	HOME CHDO, HDG	

Comments:

- Management Capacity**

Pro:

1. Thistle has acquired, developed and managed affordable housing since 1985. Most of its property is in Boulder County, although it expanded into Adams County in 2002. Neighbor Works charted Thistle as a member in 2004, bringing it additional resources for operating and capital funding.
2. Thistle currently has 786 rental units and 213 Community Land Trust (CLT) units, and manages all of them. Almost half (48%) of its rental residents are below 30% AMI, with 28% between 31-40% AMI, 14% between 41-50% AMI and only 10% over 50% AMI. As of January 2008, Thistle's rental units had vacancy rates of 2% in Longmont, 5% in Boulder & 10% in Northglenn.

Con: None.

- Public/Private Commitment**

Pro:

1. The City of Longmont is contributing a total of \$291,816 – \$140,000 as a deferred loan from their Affordable Housing Fund, \$130,000 as a HOME grant and \$21,816 as a CDBG grant. They have also committed \$4.5 million of their Private Activity Bond authority to make the first mortgage tax exempt, and will waive half of their permit fees.
2. Longmont Housing Authority has agreed to become a special limited partner so the project would be exempt from property taxes, but Thistle is negotiating a payment in lieu of taxes to the City's Downtown Development Authority. If that payment is \$10,000/year, then the DCR would become 1.26. Thistle could increase the first mortgage by about \$200,000 and still have a DCR of 1.20. Thistle would use those funds to restore some of their developer's fee.

Con:

1. Red Capital Group is committed to buying the tax credits, but is currently recalculating the actual tax credit price.

- Market Demand**

Pro:

1. The market study from July 2007 strongly supports this project because it will help fill gaps in the existing supply – there are currently no studios and very few 1 bedrooms in Longmont’s affordable housing pool. It is in a good location, only a half mile from downtown, with easy access to public transportation, employment, retail, recreation & other services. The analysts believe that “the profoma rents at 50% & 60% of AMI are at market and appear achievable.”
2. The property’s economic vacancy was only 5.5% in 2005 and 5.8% in 2006. It was 10.6% vacant when Thistle took over management in April 2007. They reduced vacancies to 5.3% by July 2007, and to 2.1% for November & December 2007.

Con:

1. According to the Denver Metro Vacancy & Rental Survey for the fourth quarter of 2007, unrestricted rentals in Longmont were 11.5% vacant; although in Boulder/Broomfield Counties overall they were 5.4% vacant.

Explain Variances from ranges:

- **Soft Costs** are over the range because of the expense of financing with Private Activity Bonds & 4% Tax Credits.
- **Tax Credit sales price** is over the range. Although a commitment letter for that amount was submitted, the investor is currently recalculating the actual tax credit sales price.

Other Projects Funded in Boulder County since 3/07:

• 4/07 – Long’s Peak Energy Conservation/Owner-Occupied Rehab, grant	\$200,000
• 5/07 – Thistle/Fairways Apts., grant	\$199,000
• 6/07 – Safe Shelter/DV Shelter, grant	\$250,000
• 6/07 – Eagle Place/Eagle Place Apts., loan	\$399,743
• 6/07 – Eagle Place/Eagle Place Apts., GEO / E\$P grant	\$159,257
• 7/07 – LHDC/Lodge at Hover Crossing Apts., grant	\$400,000
• 8/07 – LHDC/CHDO Operating, grant	\$75,000
• 12/07 – EFAA/Mixed Use Building, grant	\$70,000
• 1/08 – City of Longmont/Boulder & Broomfield Downpayment Assistance, grant	\$TBD

Other Thistle Community Housing funded projects since 2/07:

• 5/07 – Thistle/Fairways Apts., grant	\$199,000
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Boulder County AMI: \$85,000

Staff Recommendation: Partial Funding, \$550,000 - \$750,000 **Date of Meeting:** March 11, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name:

The Cannery Apartments

Spreadsheet directions are to the right --->

Date:

3/5/2008

Applicant:

Thistle

PAGE #1

Spreadsheet Version:

SHB Mtg 3/08

Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES	
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses	
					0	Management Fee	32,035
Studio	30%	2	435	300	7,200	On-site Personnel Payroll	92,500
1br/1ba	30%	3	550	325	11,700	Health Ins. & Benefits	9,000
					0	Legal & Accounting	7,500
Studio	50%	2	435	400	9,600	Advertising	7,500
1br/1ba	50%	23	575	545	150,420	Office Supplies	1,500
1br/1ba	50%	24	650	575	165,600	Telephone	2,000
2br/1ba	50%	29	850	675	234,900	Audit	
2br/1ba	50%	1	1153	715	8,580	Other	
					0	Total Administrative Expenses	152,035
1br/1ba	60%	3	575	545	19,620	Operating Expenses	
1br/1ba	60%	2	650	575	13,800	Utilities (owner paid)	60,000
2br/1ba	60%	5	850	675	40,500	Trash Removal	7,200
					0	Fire & Liability Insurance	25,000
					0	Security	2,000
					0	Total Operating Expenses	94,200
	Total units	94	Total Rent Income		661,920	Maintenance	
	Total sq ft	65,293				Maintenance	17,000
Storage Income					1,800	Repairs	22,000
Laundry Income					10,800	Grounds (inc. snow removal)	5,000
Utility Pass Through Income					14,400	Contracts	17,000
Total Income					688,920	Total Maintenance	61,000
	Vac. Rate	0.07	Less Vacancy		-48,224	Real Estate Taxes	32,900
Effective Gross Income					640,696	Operating Reserve	
						Replacement Reserve	28,200
DEBT SERVICE						TOTAL ANNUAL EXPENSES	368,335
1st Mortgage					(233,602)	NET OPERATING INCOME	272,361
2nd Mortgage					0	P.U.P.A. Expenses *	3,918
3rd Mortgage					0	* P.U.P.A = Per Unit Per Annum Expenses	
TOTAL DEBT SERVICE					(233,602)		

4.84%

22.97%

Owner pays for heat in the 2 new buildings & for all water/sewer, & bills tenants

Working on payment in lieu

unit avg.= 0

unit avg.= 300

BEP 90.94% Poss D/S @ 1.1 DCR 247,601

BEP = Break Even Point

Project Debt Coverage Ratio 1.166

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

*Note: Longmont HA has agreed to provide a property tax exemption, but Thistle is negotiating a payment in lieu of taxes with the area's Downtown Development Authority. If that payment is \$10,000/year, then the DCR would become 1.26. Thistle could increase the first mortgage by about \$200,000 and still have a DCR of 1.20. Thistle would use those funds to restore some of their developer's fee.

Name: Walsenburg Housing Authority/Huerfano-Las Animas Housing Resources, Inc. - Homeownership Acquisition/Resale Program **Project Number:** 08-038

Project Manager & Address: Mr. David Mockmore
Walsenburg Housing Authority
220 Russell Avenue
Walsenburg, Colorado 81089
(719) 738-2720 telephone
(719) 738-2258 fax
wha@bresnan.net email

Project Address: Various across Huerfano and Las Animas Counties



Project Description: The Walsenburg Housing Authority, on behalf of Huerfano-Las Animas Housing Resources, Inc., is requesting a grant of \$104,500 to assist with a homeownership acquisition/resale program for households at 80% AMI or below in Huerfano and Las Animas Counties. This program will focus on identifying and acquiring vacant lots for placement of manufactured units or the purchase of existing homes for rehabilitation and resale. In addition, \$4,500 of these funds will be used to assist the City of Trinidad with a vacant lot inventory survey. Homes provided through this program will be Energy Star compliant and be designed to fit the neighborhood. Program administration will be provided by Huerfano-Las Animas Housing Resources. These grant funds will be used to establish a local revolving loan fund that will assist in the production of minimum of (4) units annually.

Project Budget

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition	\$106,000	\$25,000	\$39,600 \$41,400	Funding Partners CHFA	Committed Committed
Rehabilitation/Construction	\$214,000	\$75,000	\$80,400 \$58,600	Funding Partners CHFA	Committed Committed
Vacant/Abandoned Property Inventory	\$8,500	\$4,500	\$4,000	City of Trinidad	Committed
Project Administration	\$8,000		\$8,000	HLHR	Committed
Totals	\$336,500	\$104,500	\$232,000		

PROJECT ASSESSMENT FOR HOMEOWNERSHIP ACQUISITION/RESALE PROGRAM

Criteria	Project Data	DOH Range
Loan Portfolio Info		
Number of loans	None - New Program	
From Program Income	None - New Program	
From New Grant	None - New Program	
Market Area Summary		
No. of affordable homes for sale	26 – Huerfano County 71 – Las Animas County	
Average price of homes for sale	\$103,000 – Huerfano County \$233,187 – Las Animas County	
Site Development		
Per Site Cost	Included in developed lot cost	
Land Acquisition/Site	Included in developed lot cost	
Onsite Improvements/Site	None planned	

Offsite improvements/Site	None Planned	
Unit Purchase Price	\$84,000 - \$145,000	\$206,160 – FHA maximum
Mortgage Info		
Homebuyers Equity	Varies depending on mortgage	1%, or \$1,000
Purchase Price Range @ 80% AMI	Up To Approximately \$165,000	\$206,160 – FHA maximum
Source(s)	Rural Development, Mountain West (FHA Lender), CHFA	
Mortgage terms & rates	Varies, 6.125% for 30 years	
DOH Criteria		
# of Visitable Units	As available	All units Encouraged
# of Energy Star Units	Yes	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	Yes	Follow Denver Water Board Recommendations
Priority	None	
Eligibility Criteria	CDBG, HDG, HOME	

Comments:

- **Management Capacity**

Pro:

1. The Walsenburg Housing Authority is sponsor of this application and provides a variety of housing services in Huerfano County including affordable housing ownership and management and the operation of a Housing Choice Voucher Program through the Colorado Division of Housing. In addition, the Walsenburg Housing Authority Executive Director is a member of the Huerfano/Las Animas Housing Resources Board of Directors.
2. Huerfano/Las Animas Housing Resources, Inc. (HLHR) was established as the Community Housing Development Organization (CHDO) for Huerfano and Las Animas Counties in 2005 to assist in meeting the housing needs as determined in the 2005 Housing Needs Assessment completed for this area.
3. HLHR currently operates a Colorado Division of Housing supported Down Payment Assistance Program and is completing the development of a Brownfield site homeownership project.
4. HLHR will use a certified home inspector and Energy Star auditor to inspect and determine the feasibility of potential sites prior to purchase by the project. In addition, this consultant is a

- certified manufactured home foundation contractor and a licensed general contractor.
5. Homebuyer counseling is provided through either the on-line CHFA course or through the on-site classes in Pueblo.

Con:

1. This is a new project for the area and this CHDO and will entail close management of the individual projects to ensure success.

- **Public/Private Commitment**

Pro:

1. The Walsenburg Housing Authority provided the sponsorship of this grant.
2. The Colorado Housing and Finance Authority (3%, 24 month term) and Funding Partners for Housing Solutions (6%, 6 month term) will provide the construction lending for this project.
3. Several real estate agents provided letters of support for this project.
4. The City of Trinidad is providing \$4,000 plus in-kind contributions of office space and computer equipment to assist in the completion of the vacant lot survey for use in their Comprehensive Plan update.

Con:

1. There is limited local financial support for this project at this time. Building permit and tap fee reductions/waivers or deferrals have been requested from the City of Trinidad and the City of Walsenburg.

- **Market Demand**

Pro:

1. The 2005 Housing Needs Assessment for these two counties completed a gap analysis that indicated a need for quality affordable housing to meet the local demand. In addition, Housing Goal #3 of the 2005 Housing Needs Assessment states, "Initiate actions to increase the supply of attached and detached homes in the \$86,000 to \$144,000 price range."
2. This project will work with the Walsenburg and Trinidad Housing Authorities to assist their clients in using their Housing Choice Vouchers for homeownership.
3. The project is designed to have an identified and approved buyer for the finished home prior to the initial purchase of the property.

Con:

1. No independent market study has been completed for this project.

- **Explain Variances From Ranges**

1. There are no variances from the ranges.

- **Other projects funded in Huerfano and Las Animas Counties since 2/07:**

South Central C.O.G., Housing Rehabilitation Program Grant, \$329,049, 11/07

- **Other Walsenburg Housing Authority projects funded since 2/07:**

None.

Huerfano County AMI: \$39,600

Las Animas County AMI: \$42,200

Staff Recommendation: Full Funding

Date of Meeting: March 11, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

Project Name: Existing home example
Date: 3/5/2008
Applicant: Huerfano/Las Animas Housing Resources, Inc.
Spreadsheet Version: Application

Total Square Feet in Unit	1,300
Lot size	6,000
Number of Units	1

	Total Cost
ACQUISITION COSTS	
Structure	45,000
Sales Tax	0
Appraisals & Market Study	400
Title Insurance & Tax Certificate	285
Total Acquisition Costs	45,685
CONSTRUCTION COSTS	
Building Permits & Fees	500
Rehab Costs	30,000
Other	
Total Construction Costs	30,500
DESIGN FEES	
Architect Fees	0
Engineering Fees	0
Other	
Total Design Fees	0
INTERIM COSTS	
Construction Insurance	
Construction Loan Orig. Fee	450
Construction Interest	1,000
Consultants	
Taxes During Construction	350
Other	
Total Interim Costs	1,800
PERMANENT FINANCING FEES	
Loan Fees & Expenses	
Attorney Fees	
Other	
Total Permanent Financing Fees	0
SALES COSTS	
Broker listing & 2% realty fee	2,000
Developer Fee	4,000
Interim Property Insurance	150
Total Project Management Fees	6,150
TOTAL DEVELOPMENT EXPENSES	84,135

Project Name: Vacant Lot -Single Family Housing Development
Date: 3/5/2008
Applicant: Huerfano/Las Animas Housing Resources, Inc.
Spreadsheet Version: Application

Total Square Feet in Unit	1,108
Lot size	5,059
Number of Units	1

	Total Cost
ACQUISITION COSTS	
Land	8,000
Structure	56,095
Optional Equipment	5,335
Surcharge	1,766
Sales Tax	0
Appraisals & Market Study	400
Survey	0
Title Insurance & Tax Certificate	285
Variance lot size & zone change	100
Total Acquisition Costs	71,981
CONSTRUCTION COSTS	
Building Permits & Fees	545
Excavation	500
Foundation	9,123
Curb/gutter/sidewalk/driveway	9,325
Electrical connection	800
Set, freight, carpet, tape & texture	13,500
Plumbing under house	1,700
Plumbing street to house	2,600
Install gas lines to home	1,330
Off Site Infrastructure	0
Rain gutters	500
Front & Rear Decks 5x5 each	1,800
Other	
Total Construction Costs	41,723
DESIGN FEES	
Architect Fees	0
Engineering Fees	0
Other	
Total Design Fees	0
INTERIM COSTS	
Construction Insurance	
Construction Loan Orig. Fee	1,260
Construction Interest	1,000
Consultants	
Taxes During Construction	27
Other	
Total Interim Costs	2,287
PERMANENT FINANCING FEES	
Loan Fees & Expenses	
Attorney Fees	426
Other	
Total Permanent Financing Fees	426
SALES COSTS	
Broker listing & 2% realty fee	3,200
Developer Fee	6,000
Interim Property Insurance	600
Total Project Management Fees	9,800
TOTAL DEVELOPMENT EXPENSES	126,217